Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of	)	
	)	
Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996	)	CC Docket No. 96-128
	)	
BellSouth Comparably Efficient Interconnection Plan for Payphone Service Providers	)	

COMMENTS OF THE
AMERICAN PUBLIC COMMUNICATIONS COUNCIL

December 30, 1997

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SUMMARY

APCC applauds BellSouth's decision to use a subsidiary, BSPC, to conduct its payphone operations. But BellSouth's CEI plan does not contain enough information and is so vague, general, and conclusory that it is not possible to tell whether its plan meets the requirements of the Payphone Orders and Computer III. It is particularly important that the details of the CEI plan be provided given the fact that independent public payphone providers were denied interconnection to the network using network controls and were forced to use alternate technologies while BellSouth built its embedded base of payphone using the network. In these circumstances, facially non-discriminatory service offering can be extremely discriminatory in application and in the marketplace. For these reasons, the Commission must require more information, including information regarding how much of each and all payphone services BSPC will use, and scrutinize the rates for coin functionality and lines.

BellSouth has provided no information about how it will perform the fair market valuation of its payphone assets required under the Commission's affiliate transaction rules. BellSouth must disclose a valuation methodology which must be subjected to public comment.

BellSouth's CEI plan is deficient in several respects regarding BellSouth's tariffed "COCOT" and "coin line" services. First, BellSouth has provided no federal tariff despite the Commission's explicit directive that

> any basic network services or unbundled features used by a LEC's operations to provide payphone services must be similarly available to independent payphone providers on a nondiscriminatory, tariffed basis. Those unbundled features or functions must be tariffed in the state and federal jurisdiction.

and that

> LECs must file with the Commission tariffs for unbundled features consistent with the requirements established in the Report and Order.

Only "the basic payphone line for smart of dumb payphones" is to be tariffed at the state level.

Further, those segments of two state tariffs BellSouth has included with the CEI plan are not representative of the tariffs in BellSouth's other states and are outdated. They do not represent the relation between coin line rates and COCOT lines in any other BellSouth jurisdiction. BellSouth must provide copies of complete current tariffs in all its states.

BellSouth appears to simply offer a bundled "coin line" and a COCOT line, with a confusing array of different charges. In any event, none of the BellSouth state tariffs unbundle coin line features from the underlying line. It is thus not possible to ascertain the rate for the "basic payphone line" and hence the rate for the coin line functionality.

Nonetheless, it has been possible to identify at least one BellSouth tariff that clearly violates the Act. The South Carolina tariff effectively charges, under the most favorable plan—and even this plan is not available everywhere, a coin line that is priced at about the same rate as a COCOT line, thus imposing no charge for the coin functionality. Under other plans, the COCOT line rate can be twice the coin line rate. Further, BellSouth has a flat rated coin line option where no such option is available on COCOT lines.

The failure of BellSouth to tariff a unitary "basic payphone line" or "unbundled [coin] features on functions" makes it impossible to engage in meaningful comparisons. Other BellSouth tariffs potentially embed similar discriminations. The North Carolina tariff, for example, leaves ambiguous what rate will apply where measured coin line service is not available.

BellSouth does not at all address whether volume discounts or contract rates are available for tariffed services. Nor does BellSouth offer unbundled services made available by other BOCs.

In addition to these tariffing issues, there are several issues that relate specifically to BellSouth's offering of coin lines. While BellSouth often offers coin line service "where available," BellSouth does not indicate where in fact coin line service is or is not available. BellSouth must disclose how it is providing payphone service in areas where coin lines are not available.

BellSouth's coin lines do not offer subscriber specific rating except for local calls. IntraLATA toll must be rated at BellSouth rates. The fact that the rate is specified in a BellSouth Telecom tariff does not make it nondiscriminatory. The tariff is tailored to allow BSPC to keep an operator surcharge on direct dialed intraLATA toll. Individual payphone provider specific call rating can be provided, since at least one other BOC is offering it.

BellSouth coin line tariffs also requires BellSouth operators to handle 0- intraLATA toll and 0+ local calls. The Commission's Payphone Orders make clear that the subscriber is to choose the carrier for 0+ local calls and that non-emergency 0- calls should be sent to the presubscribed OSP.

Tariffing is not the only area where BellSouth's CEI plan is deficient or violates the Commission's orders or the Act. There are significant problems in the area of service order processing, installation, maintenance and repair service.

BellSouth offers only vague assurances that all vendors will be treated equally. BellSouth does not actually describe its procedures in any of the service order processing, etc. areas. BellSouth does not even explicitly commit to have BSPC follow the Private Payphone Provider Handbook used by independent vendors (and BellSouth fails to provide a copy of the Handbook).

BellSouth does not make clear that its practices regarding demarcation points will be nondiscriminatory by explicitly stating the practice it will follow. Similarly, BellSouth does not specify that BellSouth will charge BSPC the same rates for inside wire work as BellSouth charges independent providers. And BellSouth does not explicitly state that it will follow the same procedures when an independent provider displaces a BSPC payphone as when BSPC displaces an independent vendor's payphone, despite a history of differential treatment.

BellSouth's CEI plan reveals problems in other areas as well. BellSouth does not state the criteria it will use to assign line numbers ending in the digits 8XXX/9XXX, which are important to preventing incoming international toll fraud, despite a past history of discrimination that has resulted in many more (proportionally) BellSouth embedded payphones having these numbers than do independent payphones.

BellSouth also does not address nondiscrimination in assignment of II screening digits. BellSouth payphones are assigned unique II digits while independent payphones are provided a screening digit shared by other services that requires reference to an external database to ascertain that the originating line is a payphone. Under the Commission's Payphone Orders, the screening digit assigned to independent payphones may not be sufficient to track calls for compensation. BellSouth has recently declined to deploy a technology that would allow a unique identifier for independent providers and has not reconfigured its use of screening codes to assign a unique one to independent providers.

Finally, BellSouth does not address whether intraLATA operator services used by BSPC will be part of BSPC or remain part of the regulated service. BellSouth must specify what network services support BSPC and how they will be available to independent payphone providers.

BellSouth plan is so general, incomplete, and leaves so many areas unaddressed that it must be rejected. The Commission should direct BellSouth to refile the entire plan or supplement it with complete information. The plan must then be made available for public comment for a period comparable to the comment period for the initial plan. BellSouth should not be permitted to escape full public comment by filing a sketchy plan which precludes meaningful review by the public.

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To: The Commission

COMMENTS OF THE
AMERICAN PUBLIC COMMUNICATIONS COUNCIL

Pursuant to the Commission's November 27, 1996 Public Notice, the American Public Communications Council ("APCC") submits these comments on the BellSouth CEI Plan, filed by BellSouth Corporation, on behalf of BellSouth Telecommunications, Inc., and its affiliated companies ("BellSouth") on November 22, 1996.

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DISCUSSION

BellSouth plans to conduct its payphone operations through a separate subsidiary, BellSouth Public Communications, Inc. ("BSPC"). APCC applauds BellSouth's decision to use a separate affiliate as the "best manner possible" for providing payphone services and complying with the Commission's nondiscrimination requirements.[1] Provision of payphone service through an affiliate, with appropriate safeguards to ensure full separation, is the approach most in keeping with a policy of avoiding unnecessary regulation. Moreover, since there are few if any areas where significant efficiencies can be achieved through the use of common resources for payphone service and regulated local exchange services, there is little chance that operation through an affiliate will sacrifice significant efficiencies.

However, BellSouth's CEI Plan fails in several respects to define how it will comply with the comparably efficient interconnection ("CEI") equal access parameters and nonstructural safeguards for the provision of payphones services.[2] Over all, BellSouth's

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1 In BellSouth's December 2, 1996 News release, James B. Hawkins, the President of BSPC, was quoted as follows:

> The recently enacted legislation by Congress seeks to promote competition in the payphone industry by establishing a level playing field for all payphone providers . . . . The establishment of a stand-alone business unit positions BellSouth in the best manner possible for competing as a single-source provider of payphone services in our region.

2 Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128, Notice of (Footnote continued)

CEI Plan is so vague and lacking in specific information that the Commission (and interested parties) cannot evaluate whether the Commission's nondiscrimination requirements will be met. Essentially, BellSouth merely recites the CEI equal access parameters and nonstructural safeguards, and states that it will meet them. It does not, however, specify how it plans to implement them.

BellSouth is required to "explain how it will provide basic payphone services and unbundled functionalities."[3] It fails to define what is included in the basic payphone services. BellSouth also fails to specify what is excluded from the basic payphone services, which is even more important to assess its CEI plan.

In evaluating CEI plans for Bell companies' payphone operations, the Commission must bear in mind the history of discrimination in the payphone industry. The decade-long inequitable treatment of IPP providers has left a legacy of discrimination that cannot be erased by simply filing a CEI plan that provides for a purely formal equivalency of services that are technically available to both BSPC and IPP providers. Rather, the Commission must carefully evaluate the CEI plan to ensure that it is effectively as well as formally nondiscriminatory, given the long past history of entrenched discrimination.

(Footnote continued)
Proposed Rulemaking, 11 FCC Rcd 6716 (1996), Report and Order, FCC 96-388, released September 20, 1996 ("Payphone Order"), Order on Reconsideration, FCC 96-439, released November 8, 1996 ("Reconsideration Order").

3 Reconsideration Order, ¶ 213.

For example, as discussed in part in the Commission's NPRM and Payphone Order, for many years IPP providers were denied any opportunity at all to interconnect to the coin line functions of the Bell Companies' networks. Accordingly, IPP providers were forced, whether they wished to or not, to invest in payphone instrument-based technology in order to provide the basic call rating functions and call control functions that are essential to the operation of a coin payphone. The legacy of that decade-long era of discrimination is that a competitive industry has grown up in which the competitors have built their businesses around the provision of coin rating and coin control in the instrument.

Thus, for most IPP providers it is impractical, at least in the near future, to subscribe to coin line services. The IPP providers have already made their investment in instrument-implemented payphones and the necessary support for those instruments, and conversion to coin line service would effectively strand their investment in instrument-based technology. Over time, additional competitors may enter the market who do not have the same investment in instrument-based technology. For the near future, however, the independent industry predominantly uses instrument-implemented technology and can benefit little from subscribing to coin lines.

For this reason, the Commission must be vigilant to ensure that coin line functionality is appropriately priced to capture the actual cost of providing that functionality in the network. As discussed below, BellSouth's tariffs vary greatly in the differential, to the extent that it can be estimated, between COCOT service charges and coin line service charges. To the extent that BellSouth has structured tariffs to provide an undue rate advantage to users of coin line service -- which as discussed above, will be predominantly BSPC payphones for the foreseeable future -- its CEI plan is effectively discriminatory and must be rejected for that reason alone.

I. VALUATION

BellSouth has chosen a separate affiliate as its means of complying with the Commission's CEI requirements and nonstructural safeguards. BellSouth CEI Plan at 3. The Commission has ruled that if a LEC chooses to provide its deregulated payphone services through a separate affiliate, then when the LEC transfers its ICS assets, the transfer must be recorded on the books at the higher of fair market value or net book cost, under Section 32.27(c) of the Commission's Rules. Payphone Order, ¶ 164. Going concern value, which includes "intangible assets such as location contracts that add value to the [ICS} business," should be accounted for when determining fair market value.[4] Id. However, BellSouth has not stated how it will ascertain fair market value. Indeed, BellSouth's CEI plan, tariff filing[5] and cost allocation manual ("CAM")[6] omit any discussion at all of asset valuation. Based on BellSouth's filings, it does not appear that

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4 Even where there is no contract, there is "going concern" value derived from transferring the business with payphones already in place, with no need to build a route, and with a network of "goodwill" relationships with existing location providers.

5 See BellSouth Transmitted No. 385, filed December 11, 1996.

6 See CAM Revisions filed November 25, 1996.

BellSouth has conducted any valuation or made the necessary exogenous cost adjustment to credit regulated revenue requirements with any excess of fair market value over net book cost, as the Commission's rules and the Payphone Order require.

BellSouth's CEI plan should be rejected and BellSouth should be asked to refile a plan that fully describes the methods to be used to value BellSouth's payphone assets. The Commission must place the refiled plan on public notice, so that parties can comment on whether the proposed method of valuation is adequate to capture and credit to regulated revenue requirements any excess of fair market value over cost.

II. TARIFFED "COCOT" AND "COIN LINE" SERVICES

A. The Plan Does Not Include Any Federal Tariffs

A basic CEI requirement is that the LEC must file copies of applicable federal tariffs with its CEI plan. BellSouth has not attached any federal tariff. Yet, the Reconsideration Order unequivocally requires that:

> any basic network services or unbundled features used by a LEC's operations to provide payphone services must be similarly available to independent payphone providers on a nondiscriminatory, tariffed basis. Those unbundled features or functions must be tariffed in the state and federal jurisdiction.

Reconsideration Order, ¶ 162. In the next paragraph, the Reconsideration Order states:

> LECs must file with the Commission tariffs for unbundled features consistent with the requirements established in the Report and Order.

The only service that LECs are not required to tariff at the federal level is "the basic payphone line for smart and dumb payphones." Reconsideration Order, ¶ 163. BellSouth's plan clearly cannot be approved until it is refiled with BellSouth's proposed federal tariffs.

B. The State Tariffs Included With The Plan Are Not Representative

BellSouth filed portions of its Florida tariff for COCOT service and portions of its Florida and Georgia tariffs for coin line service. Although BellSouth claims that these tariffs are representative, they are not. In fact, however, BellSouth's state tariffs have widely varying rate structures.

Further, BellSouth's Florida tariff is actually far more favorable to IPPs, in terms of the level of COCOT line charges and the differential between COCOT line charges (used primarily by IPP providers) and coin line charges (applicable predominantly to BSPC payphones).

Even the state tariffs that Bell South did attach to its plan are neither complete nor up-to-date. The Florida COCOT line tariff is not the most recent version. Further, many of the relevant rates are cross-referenced to tariff pages that were not included in the CEI filing.

BellSouth should be required to refile its plan with complete copies of every state tariff (as Ameritech did in its CEI plan), so that the full range of disparate COCOT and coin line rate structures can be reviewed. Further, BellSouth should be required to include all tariff pages with rates that are applicable to payphone services, including pages that are cross-referenced in COCOT or coin line tariffs.

C. **BellSouth's State Tariffs Do Not Unbundle Coin Line Features From The Basic Payphone Line**

As discussed above, the Commission's Order on Reconsideration made clear that "any basic network services or unbundled features used by a LEC's operations to provide payphone services must be similarly available to independent payphone providers on a nondiscriminatory, tariffed basis" at the state and federal levels, while "the basic payphone line" is to be unbundled and tariffed at the state level only. Reconsideration Order, ¶ 162. In addition to failing to tariff any network services or unbundled features at the federal level (see above), BellSouth has failed, in its state tariffs, to tariff "the basic payphone line" separately from network services and unbundled features. As a result, COCOT line services and coin line services are structured differently in many states, and it is difficult or impossible for the Commission to effectively analyze whether subsidies and discrimination between COCOT line services and coin line services have been eliminated. Under the Reconsideration Order, the "basic payphone line" must be tariffed at the same rate for both coin line service and COCOT line service, so that the additional charges for network services and unbundled features available only with coin lines can be effectively determined. Since the "basic payphone line" is not subject to a unitary rate, close analysis is required in order to calculate the additional charge for the "smarts" in the coin line service that is applicable in each state, and in order to determine whether the COCOT service charges are disproportionately high, and thus subject to discrimination, vis-a-vis coin line charges.

D. Bellsouth's South Carolina Tariff Clearly Violates The Act

In at least one state, South Carolina, where it is possible to make a comparison between COCOT line and coin line rates, despite the lack of a unitary "basic payphone line" rate and "unbundled [coin] features or functions," APCC's analysis indicates that there is outrageous discrimination between COCOT service charges and coin line service charges. The South Carolina tariff pages are to the comments simultaneously filed by the Southeastern Payphone Coalition. At best, charges for the two services are virtually identical, indicating that the coin line features are being provided "for free." At worst, the COCOT service charges are almost twice the coin line charges, indicating that BellSouth is, in effect, offering subscribers (including, of course, BSPC) money to take the coin line features.

Specifically, BellSouth's COCOT line tariff provides that the "basic payphone line" rate for COCOT lines is 80% of the business individual line flat rate. A7.4.5.A, Note 2. The business individual line flat rate ranges from $33.75 to $43.75 per month, depending on the rate group. A3.2.1.A.2.d. Eighty percent of that rate range is $27.00 to $35.00 per month. In addition, BellSouth charges $5.00 per month for screening and blocking service (including billed number screening), bringing the total monthly recurring charge to $32.00 to $40.00 per month. On top of these monthly charges are local usage rates of 4 cents for the initial minute and 2 cents for each additional minute.

The tariff offers an alternative rate, where available, called Area Plus Service. Area Plus Service rates currently have a basic monthly line charge of $33.00, plus screening and blocking service charges of $5.00 per month. This alternative is more attractive for some payphones because, on top of the recurring charges of $38.00 per month, usage charges are only 2 cents per minute "peak" and 1 cent per minute "off-peak".

BellSouth's coin line has a monthly rate of $38.00, plus Area Plus usage charges of 2 cents per minute "peak" and 1 cent per minute "off-peak". Thus, the rate is identical to the Area Plus rate for COCOT service. It defies belief that there is no cost to all the network "smarts" used to provide coin line service -- especially since the coin line rate in the Florida tariff that BellSouth claims is "representative" is substantially higher than the COCOT line rate.

Moreover, the BellSouth tariff provides that, where usage measurement facilities are not available for coin lines, the charge is a flat-rated charge of $44.00 per month. Neither the tariff nor BellSouth's CEI plan indicates in which areas usage measurement is available for coin lines. For those payphones in areas where coin lines are flat-rated, the differential may be as little as $5.00 between the flat coin line rate and the monthly recurring COCOT line rate exclusive of usage charges. When usage charges are included, assuming 500 local calls averaging 3 minutes each, the total charges compare as follows:

Regular COCOT service $32-$40 plus 8¢/call x 500 calls = $72-80

Area Plus COCOT service	$38 plus 5¢/call x 500 calls =	$63
Area Plus Coin Line service	$38 plus 5¢/call x 500 calls =	$63
Flat-Rate Coin Line service	$44/month =	$44

In summary, in South Carolina, analysis of the tariffs indicate that, in the absence of a flat-rate, the total charges for coin line service are about equal to total charges for the best applicable COCOT service, <u>where available</u>. (Where Area Plus service is <u>not</u> available, COCOT service is significantly more expensive.) Where coin line service is provided on a flat-rate basis, total charges for COCOT line service are about <u>double</u> the charges for coin line service, <u>even though</u> the coin line service includes all the coin control and call rating features that COCOT line subscribers must provide in their payphones.

Clearly, it is indisputable that in South Carolina, BellSouth's tariff outrageously discriminates against COCOT service, which is used predominantly by IPP providers, and in favor of coin line service which is predominantly suitable only for BellSouth payphones. Such discrimination (which on its face would appear to include a heavy subsidy) indisputably violates Section 276(a) of the Communications Act.

E. <u>Other Tariffs Leave Open The Possibility Of Discrimination Based On Usage Rates Versus Flat Rates</u>

Some BellSouth tariffs, while still not providing a unitary "basic payphone line" or "unbundled [coin] features or functions," provide for a coin line/COCOT line differential that is facially more reasonable, but that is still potentially subject to discrimination because of the absence of a uniform tariff for the "basic payphone line." For example, in North Carolina, the COCOT service tariff indicates that COCOT line service is provided "on a Usage Rate basis." A7.4.5.A. However, the coin line tariff states that coin line service is provided "on a usage rate basis where facilities are available." A7.8.2.A. The tariff does not clearly indicate what rate applies where facilities are not available, nor does it indicate in what areas facilities for usage rate coin line service are or are not available. This leaves open the possibility that, in substantial areas of the state, BellSouth will apply a highly favorable flat rate to the coin lines used by its payphones, recreating the situation that is explicitly provided for in the South Carolina tariff. The Commission must require BellSouth to refile its plan specifying in which areas coin lines are provided on a flat rate and usage rate basis.

F. Volume Discounts

Neither BellSouth's CEI plan nor the tariff pages provided with its plan discuss the availability of volume discounts based on the number of lines (or total usage for all lines) a PSP has. At least one such plan exists for COCOT line service, and is found in Section 7.4.5 of BellSouth's Georgia COCOT tariff, which BellSouth did not attach to its plan. While APCC is not opposed to this plan, its omission raises the question of what other COCOt or coin line discounts exist or are planned. Obviously, there is significant potential for volume discounts to be structured in a way that discriminates in favor of BSPC and against smaller IPP providers. BellSouth should be required to refile its CEI plan with a full description of existing or planned volume discounts applicable to BSPC.

G. Unbundling Of Individual Features

Because BellSouth's plan does not include all state tariffs, it is not possible for the Commission to evaluate the extent to which services such as answer supervision, which is available as an unbundled feature, separately from the coin line package, in all BellSouth states, and in all areas within each state. If BellSouth is already offering an unbundled service in one state, then it should be required to offer it in the other states as well.[7]

Additionally, Ameritech offers an anticrime service, Restricted Coin Access. Ameritech CEI Plan at 5. Since Ameritech's provision of the service indicates that it is feasible, BellSouth should offer these unbundled services as well. The Commission should "benchmark" the unbundled services offered by one LEC against those offered by another.[8]

H. Coin Line Issues

1. Availability of Coin Line Service

Provision A7.8.1.B of BellSouth's Florida coin line tariff, at Original Page 13, provides that coin line service "will be provided from central offices where facilities are available." BellSouth does not specify in its CEI plan to what extent coin line service is

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[7] BellSouth's plan also does not specified whether it will provide call intercept tones ("CIT"). In the absence of true answer supervision, CIT must be provided to IPPs because if CIT do not precede operator voice messaging, the operator voice messaging is likely to be incorrectly treated as a completed call.

[8] See Interconnection Order, CC Dkts. Nos. 96-98 and 95-185, FCC 92-325 (released August 8, 1996) (subsequent history omitted) and 47 CFR § 51.305(c)(3) (if interconnection is once provided at a point in a network, it is presumed feasible in similar networks).

unavailable, or whether any payphones in BSPC's embedded base are located in areas where coin line service is "unavailable." BellSouth must be required to disclose in which areas coin line service is "unavailable" and how many, if any, payphones it has currently installed in such areas. Of course, to the extent that BSPC has new or embedded payphones in such areas, it must be required to convert such payphones to COCOT service. Otherwise, BellSouth would be in the position of providing coin line service to BSPC while claiming that it is "unavailable" to IPP providers.

2. Specific Call Rating

Subscriber-selected call specific rating is not available from BellSouth, except for local calls, see Section A7.8.2.E of BellSouth's Florida coin line tariff. IntraLATA long distance is rated only at the BellSouth rate -- i.e., the BPSC rate. See Section A7.8.2.H of BellSouth's coin line tariff.

As APCC, NJPA, and GPCA have previously argued, providing a coin line that rates calls only at the end user rates used by the LEC's own payphone division is patently discriminatory and spoils any utility the coin line service would otherwise have for IPP providers. See, e.g., Petition of NJPA for Partial Reconsideration and Classification filed October 21, 1996, at 3-7. IPP providers subscribing to coin lines are effectively forced to adhere to the same rates charged by their BellSouth-affiliated payphone competitor. They are precluded from developing innovative rate structures such as "call anywhere in the

United States for 25 cents per minute" -- an increasingly popular approach that has been shown to increase coin traffic at many payphones.

The fact that the rate used in rating intraLATA sent-paid calls is specified in a BellSouth Telecom tariff does not make the rate, selection feature nondiscriminatory. The purpose of the rate is to apply to sent-paid payphone calls. To say that the rate is "selected" by BellSouth Telecom rather than BSPC is simply an artifice to avoid CEI compliance. Indeed, the tariff expressly provides that the coin line subscriber pays only the long distance transmission, keeping the entire payphone surcharge for itself. Since BSPC collects the surcharge, it would be transparently false to claim that BSPC is not responsible for deciding what the surcharge will be.

BellSouth cannot reasonably claim that it is infeasible to allow the subscriber to select the rate for sent-paid intraLATA calls using coin lines. As discussed in the filings of NJPA and GPCA, Ameritech currently provides coin rating at subscriber-selected rates through its ProfitMaster service.

BellSouth should be required to refile its CEI plan with instructions to make its coin line service effectively available to other IPP providers by providing a feature that allows the PSP subscriber to select the rate for central office rating of intraLATA calls. The rate for such a feature, of course, should be averaged with the rate for the rating service offered to BSPC, to the extent there is any difference in the cost of providing the service.

3. Operator Service Provider ("OSP") Selection

Section A7.8.1.D.11 of BellSouth's Florida tariff, at Original Page 14, properly provides that "[a]ll 0+ interLATA and intraLATA calls will be routed to the [coin line service] subscribers presubscribed carrier," as required by Section 276 of the Act. However, provision A7.8.1.D.8 of BellSouth's coin line tariff, at Original Page 13, makes two exceptions to this treatment, stating that BellSouth's "operator system will handle 0- intraLATA toll calls and 0+ local calls from [its coin line service] lines."

In the Payphone Reconsideration Order, the Commission specifically confirmed that PSPs are entitled to select the OSP for intraLATA local as well as toll 0+ calls. Therefore, BellSouth's CEI plan is inconsistent with Section 276. Further, with respect to 0- calls, the Commission has stated that while states can require that 0- calls be routed to LECs for emergency purposes, when a 0- call is not an emergency call, the call should be sent to the OSP selected by the PSP. Payphone Order at ¶259. BellSouth should be required to refile its CEI plan with instructions to identify the relevant regulations in each of its states, and to amend its tariffs to provide that either all 0- calls or all non-emergency 0- calls (whichever is appropriate under applicable state regulation) will be sent to the provider selected by the PSP.

III. SERVICE ORDER PROCESSING, INSTALLATION, MAINTENANCE AND REPAIR SERVICE

A. Generally

BellSouth fails to describe specifically the procedures it will follow regarding service order processing, installation, maintenance and repair service. Instead, BellSouth merely states that service order processing, installation, maintenance and repair service will be done "through the same channels" and "subject to the same scheduling procedures" for both BSPC and other payphone service providers; and that BSPC "will not be given any preference or priority that is not also available to other service providers;" but BellSouth does not describe how service order processing, installation, maintenance and repair service will be done.[9] BellSouth refers to a manual, its Private Payphone Provider Handbook, claiming that it includes "a description of service order procedures, installation procedures and schedules, and repair procedures." BellSouth does not provide a copy of the manual with its CEI plan. BellSouth does not even commit explicitly to having BSPC follow the procedures in the "Private Payphone Providers Handbook." Instead there are only vague references to contact through "the source channels,"etc. To the extent that BellSouth is relying on its handbook to provide the necessary specific descriptions of its CEI compliance procedures, the Commission must require BellSouth to incorporate and file its handbook, or appropriate pages from the handbook, into its CEI plan.

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[9] BellSouth CEI Plan at 7, 11.

BellSouth also implies that no personnel will be shared by BellSouth and BSPC when performing any installation, repair and maintenance functions. BellSouth CEI Plan at 11. It is important for the Commission to know specifically the extent to which BellSouth is sharing personnel performing these functions. To the extent that sharing takes place, it will be more difficult for the Commission to detect cross-subsidization and discrimination, especially since, under the affiliate structure selected by BellSouth, most of BellSouth's payphone-related costs will not even appear in regulated accounts. Thus, any approval of BellSouth's CEI plan should be explicitly conditioned on its commitment not to share personnel.

B. Installation, Repair, And Maintenance

BellSouth's CEI Plan fails to make clear whether BST will follow nondiscriminatory practices with respect to location of the demarcation point. Recently there have been some indications that BST is changing its policies or not following a consistent policy regarding the demarcation point. See attached letter. BellSouth should be required to amend its plan to state its specific practices with respect to the demarcation point.

Further, Bellsouth's CEI plan does not specify its practices regarding installation of inside wiring. According to the Handbook, BellSouth will provide inside wiring installation and repair to IPP providers on a time and materials basis. The plan should make clear that BST will also charge BSP for such installation and repair services on a time and materials basis. Further, BST must charge on the same basis when maintaining or